

## Message Text

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70/44

ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 ISO-00 L-03 FRB-03 OMB-01

TAR-01 SP-02 AGR-05 AID-05 CIAE-00 COME-00 INR-07

IO-10 LAB-04 NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00

CIEP-01 CEA-01 /082 W

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R 042051Z JUN 75

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 8993

INFO AMEMBASSY ABIDJAN

AMEMBASSY BRASILIA

AMEMBASSY LONDON

AMCONSUL LUANDA

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

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C O R R E C T E D C O P Y-(PARA 4 LINE 1 ADDED)

E.O. 11652: NA

TAGS: ETRD, EAGR, CO

SUBJECT: COFFEE: OPTIMISM ABOUT A NEW COFFEE AGREEMENT

1. COLOMBIA CHIEF COFFEE NEGOTIATOR, ARTURO GOMEZ, IS OPTIMISTIC ABOUT THE FORTHCOMING INTERNATIONAL COFFEE COUNCIL MEETING IN LONDON. HE IS HOPEFUL THAT PROGRESS TOWARD DRAFTING A NEW INTERNATIONAL COFFEE AGREEMENT WILL BE RAPID ENOUGH IN JUNE AND JULY FOR A NEW AGREEMENT TO BE ADOPTED IN SEPTEMBER, WHICH COULD BECOME EFFECTIVE AFTER RATIFICATIONS BY MEMBERS COUNTRIES AT THE BEGINNING OF THE COFFEE YEAR STARTING OCTOBER 1976. ONE REASON HE FORESEES NO FINAL AGREEMENT BEFORE SEPTEMBER IS THAT BOTH CONSUMERS AND PRODUCERS WILL WANT TO WAIT UNTIL AFTER THE FROST SEASON IN BRAZIL THIS JUNE-JULY-AGUSUT, CONSUMERS BECAUSE A FROST  
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WOULD RAISE THE QUESTION OF WHETHER PRODUCERS COULD FULFILL

QUOTAS AGREED UPON, AND PRODUCERS BECAUSE THEY WOULD WANT TO BE ABLE TO TAKE ADVANTAGE OF THE PRICE INCREASE THAT WOULD FOLLOW A FROST.

2. GOMEZ COMMENTED THAT THE SOLUBLE COFFEE QUESTION IS BASICALLY A BILATERAL ISSUE BETWEEN THE U.S. AND BRAZIL. HE UNDERSTANDS FROM THE BRAZILIANS THAT A RESOLUTION OF THE ISSUE MAY BE NEAR. IF SO, HE THINKS, IT SHOULD HELP CLEAR THE WAY FOR A NEW ICA.

3. ON THE ISSUES STILL TO BE SETTLED FOR AN ICA, GOMEZ REPEATED HIS EARLIER LISTING OF QUOTAS, STOCKS AND PRICES. HE SAID THAT THE US PROPOSAL ON QUOTAS IS ATTRACTIVE TO COLOMBIA, BRAZIL, IVORY COAST, MOST OTHER AFRICANS, MEXICO AND EL SALVADOR, BUT NOT OT OTHER LATAMS WHO HAVE NO STOCKS TO CRANK INTO THEIR QUOTA LEVEL. (HE NOTED THAT AT PRESENT NO ONE CAN SPEAK AUTHORITATIVELY FOR ANGOLA, SO THAT THE OTHERS WILL HAVE TO GO AHEAD ON A NEW AGREEMENT WHICH ANGOLA CAN ACCEPT LATER IF IT CHOOSES.) HIS COMMENT ON STOCKS WAS THAT SINCE THE U.S. HAS SAID IT WILL NOT FINANCE THEM, THERE WILL BE NO FINANCING SYSTEM. HE WAS STILL HOPEFUL THAT SOME CLOSE SUBSITUTE FOR INDEXATION CAN BE WORKED INTO THE U.S. SUGGESTIONS ON PRICES.

4. THE NEW YORK PRICE FOR COLOMBIAN MILDS HAS MADE A MODEST RECOVERY RECENTLY, AND GOMEZ SAYS THE VOLUME OF COLOMBIA COFFEE EXPORTS IS ALSO PICKING UP. COLOMBIAS NON-COFFEE EXPORTS ARE PERFORMING WELL, SO THAT THE OVERALL TRADE PICTURE IS BRIGHTENING. GOMEZ OPTIMISM AND GOOD SPIRITS REFLECT THIS IMPROVED TRADE OUTLOOK, BUT THE PRESSURE IS NOT OFF COLOMBIA TO CONTINUE SERIOUS EFFORTS TOWARD A NEW ICA BECAUSE IMPORTS ARE INCREASING EVEN MORE RAPIDLY THAN EXPORTS. GOMEZ WAS ALSO ENCOURAGED BY THE SECRETARY'S OECD SPEECH, WHICH HE RECOGNIZES AS A MAJOR INITIATIVE TO COME TO GRIPS WITH COMMODITY QUESTIONS.

WHITE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETING AGENDA, COFFEE, MEETINGS, COMMODITY AGREEMENTS, NEGOTIATIONS, IMPORT QUOTAS, PRICES  
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**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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**To:** STATE  
**Type:** TE  
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